



NEW MEXICO WOOL GROWERS, INC.

Sustainable Agriculture Protecting The Environment & All Its Creatures

April 9, 2003

Country of Origin Labeling Program
Agricultural Marketing Service
U.S. Department of Agriculture
Stop 0249, Room 2092-S
1400 Independence Ave. SW
Washington, D.C. 20250-0249

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RE: **Federal Register** October 11, 2002 (Vol 67 # 198)

Docket Number LS-02-13 "Establishment of Guidelines of the Interim Voluntary Country of Origin Labeling of Beef..."

Dear Sirs:

On behalf of the New Mexico Wool Growers, Inc. (NMWGI), I am writing in response to the above noted **Federal Register** notice. While the NMWGI strongly supports the concept of country of origin labeling, we have some serious concerns about the program as it has been written.

The NMWGI has been a supporter of country of origin labeling (COOL) for food products, especially lamb, for many years. Imported lamb and wool products from Australia and New Zealand have all but destroyed the domestic sheep industry in the recent past. Consumer polling indicates that consumers are interested in and want to know where their food comes from, and would be willing to pay more for food produced closer to home. Everything else you buy, from electronics to dog food to clothing is labeled with its country of origin, and it seems ridiculous that meat, the most perishable of products, is not labeled. Finally, but perhaps the most important, are the diminishing returns domestic sheep producers are receiving on their operations, receiving regardless of steps taken to enhance production and cut expenses.

Producers asked for, then pushed for COOL in a desperate attempt to find a way to stay in business. Turning to the government for such aid has rarely provided relief in the past and it does not appear that this case will be any different. Domestic producers worked to create a program that would label foreign product coming into the United States, thus indicating that all other product was American. They were adamant that they would not be required to individually identify their animals. That message was heard clearly by Congress, who passed the COOL legislation with a provision specifically prohibiting mandatory identification.

That message, however, was not heard by the U.S. Department of Agriculture, judging from the guidelines that were released by the agency. The Voluntary Guidelines published in the Federal Register on October 11, 2002, state that, "The Secretary **may require**..." maintenance of a "verifiable record keeping audit trail" to justify language in the guidelines (see 3. Recordkeeping, page 63374) stating that, "Any person... **must maintain** auditable records documenting the origin of covered commodities."

In effect, these regulations require mandatory individual identification of livestock, which was not the intent of either the livestock industry or Congress. NMWGI respectfully requests that the Secretary reconsider this provision. Had Congress stated that the Secretary **shall require**, there would be foundation for the language contained in the guidelines. However, that is not what Congress mandated.

Further, the recordkeeping provisions go yet another step beyond congressional direction in stating, "Self-certification by such persons is not sufficient." What is the rationale for this requirement? How and/or why is it not sufficient? Are records kept by producers not detailed enough for the USDA? Producers know their industry and operation better than anyone, how can their information not be sufficient?

It was pointed out by a USDA official at a recent meeting on COOL in New Mexico that a federal requirement of an audit trail was nothing new. The Internal Revenue Service (IRS) has been requiring an audit trail for some time. While that may be true, it raises some serious concerns within the industry about the intent of the regulations and the USDA. Should producers consider the USDA in the same heavy-handed, regulatory manner as the IRS?

In addition, taxpayers are not required to provide third-party verification even by the IRS. If a signature is adequate for the IRS, why is it not so for the USDA? Additionally, self-certified declarations are routinely accepted by the federal court system. Is the USDA more restrictive than the federal court system? Does the USDA view livestock producers in the United States more critically than the IRS or the federal courts?

The membership of the NMWGI respectfully requests that the Secretary reconsider this provision. Self-certification is sufficient to document origin.

The guidelines refer to the Secretary's ability to use "model certification programs in existence on the date of enactment." Are there model programs being used for these guidelines? If so, what programs are they? What provisions do they contain? How were they developed? What is the justification for those provisions?

Under the voluntary program, USDA "has determined that state and regional labeling programs... do not meet" the requirements of the COOL law. How was that determination made? If the goal of COOL is to label origin and covers the 50 United States why doesn't a label from one of those states adequately notify consumers of the country of origin?

It has been disappointing to see the uproar that has been created in the media by USDA estimates on the cost of the COOL program, especially considering that USDA is mandating many of those costs. That was not the spirit, the intent or the letter of the law passed by Congress. It is too soon to predict the costs of a program that has yet to be developed or implemented, and these reports only create more confusion.

It is also disappointing to see the tactics of fear and intimidation that are being used in the market place, such as letters from packers to producers detailing what they will not purchase at any price. Today, one hears that the mandatory identification will not be governmentally mandated, but will be market driven. The "market" could not drive this issue without the aid of USDA.

In summary, the voluntary guidelines issued for COOL do not meet the spirit, intent or the letter of the legislation passed by Congress. I respectfully request that USDA go back to the drawing board and remove the provisions mentioned previously.

Thank you in advance for your cooperation and attention, and I look forward to your responses and working with you to develop a workable COOL program that will benefit domestic producers.

Sincerely,



Tom Runyan
President

Cc: New Mexico Congressional Delegation